



State of Utah
Department of
Natural Resources

MICHAEL R. STYLER
Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

OGM	Pete Hess	Environmental Scientist III
Company	Vicky S. Miller	Environmental Specialist

Inspection Report

Permit Number:	C0070039
Inspection Type:	COMPLETE
Inspection Date:	Thursday, January 25, 2007
Start Date/Time:	1/25/2007 8:52:00 AM
End Date/Time:	1/25/2007 2:20:00 PM
Last Inspection:	Monday, December 18, 2006

Inspector: Pete Hess, Environmental Scientist III

Weather: Sunny, clear, temperatures 30-40's F. Snow melting

InspectionID Report Number: 1201

Accepted by: whedberg
2/5/2007

Permittee: **CANYON FUEL COMPANY LLC**
Operator: **CANYON FUEL COMPANY LLC**
Site: **DUGOUT CANYON MINE**
Address: **PO BOX 1029, WELLINGTON UT 84542**
County: **CARBON**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

9,471.00	Total Permitted
57.75	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- ☒ Federal
☒ State
☐ County
☒ Fee
☐ Other

Types of Operations

- ☒ Underground
☐ Surface
☐ Loadout
☐ Processing
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee continues to meet the Special Condition which is included as Attachment "A" of the current State permit which is relative to the quarterly electronic submittal of surface and ground water monitoring information for the Dugout Canyon Mine permit area. Third quarter 2006 data was in the pipeline and OK'd by the Permittee for uploading on October 27, 2006. Same was uploaded to the Division data base on December 12, 2006.

There are no other Special Conditions established for this permit.

There are no pending compliance actions for the Dugout Canyon Mine permit area.

Inspector's Signature:

Pete Hess

Date Friday, January 26, 2007

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Permittee is preparing to submit the required clean copies for the conditionally approved Pace Canyon fan portal "as-built" information, (Task ID #2700).

3. Topsoil

The Permittee has submitted an application to the DOGM to increase the size of the disturbed area for the coal storage area by approximately 1/2 acre. This will involve some vegetation removal and topsoil recovery. The area is located between the lower left and right forks of Dugout Creek, and is immediately adjacent to the current disturbed area. The Permittee would like to perform the field activities during the next scheduled long wall move.

4.a Hydrologic Balance: Diversions

Temperatures over the past month have ranged from sub-zero to less than 20 degrees Fahrenheit during the day through out the County. Ice build up on the truck scales has necessitated the use of high pressure water to remove the ice such that truck loading can happen. Other diversions are ice locked, such that full operational capability is not available. Many of the site's diversions remain under frozen compacted snow. Thawing was occurring in Pace Canyon and the designed diversions within the disturbed area were functioning according to design.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee conducted the fourth quarter of 2006 impoundment inspections on November 3 (refuse facility pond) and December 29 (Mine site facility pond) respectively. There were no signs of instability or other hazardous conditions noted during Mr. Dave Spillman's inspection. The sediment level in the waste rock facility pond had not reached the 60% cleanout elevation; the sediment level in the Mine site pond could not be observed due to the ice cover. However, the Mine site pond was cleaned prior to May 10, 2006. Both inspection reports were P.E. certified by Mr. Spillman on January 23, 2007. There were no compliance issues noted this day for either impoundment. Ms. Miller performed the first quarter catch basin inspection for the Pace Canyon fan portal facility this day. There were no compliance issues noted by either Ms. Miller nor by the Division for this impoundment. The basin bottom was snow covered, although some snow melt was present.

4.c Hydrologic Balance: Other Sediment Control Measures

The water bars and treatment methods which were implemented in Pace Canyon to control road drainage appeared to be functioning as designed.

4.d Hydrologic Balance: Water Monitoring

Discharge monitoring reports for the month of December 2006 were reviewed. This same information is submitted with the quarterly surface and ground water monitoring information which is sent to the Division's electronic data base. The Permittee mentioned that the water analysis laboratory which performs the water analyses often reports that samples are lost, which requires the Permittee to re-sample for certain MRP required parameters.

4.e Hydrologic Balance: Effluent Limitations

Ms. Miller indicated that the TDS levels in the mine water discharges being made to Dugout Creek have been very good for several months. Although the Permittee participates in a Colorado River Salinity Offset Program, the TDS levels have been well below those normally seen.

7. Coal Mine Waste, Refuse Piles, Impoundments

The Permittee is receiving coal processing waste from the Savage Coal Terminal wash plant; SCT is performing a 5000-ton test wash of high ash coal from the Skyline Mine. Division approval for the disposal of the Skyline reject at Dugout has been received. The reject is blended with Dugout reject and spread, leveled, and compacted via the approved Dugout MRP process. The Permittee is hauling and placing snow volumes at the waste rock site. These volumes are from the parking lot clean-up process.

10. Slides and Other Damage

The Permittee had repaired the wild life fence at the Pace Canyon fan portal facility which was damaged by boulders reporting from the escarpment above the fan installation.

18. Support Facilities, Utility Installations

The Permittee intends to drill five degasification wells during the 2007 season; wells 19, 20, and 22 will need to be permitted through the DOGM.